



Senate

General Assembly

January Session, 2003

File No. 233

Senate Bill No. 976

Senate, April 8, 2003

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONFORMING STATE LAW WITH FEDERAL WELFARE REFORM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-112 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) The Department of Social Services shall administer a temporary
4 family assistance program under which cash assistance shall be
5 provided to eligible families in accordance with the temporary
6 assistance for needy families program, established pursuant to the
7 Personal Responsibility and Work Opportunity Reconciliation Act of
8 1996. Under the temporary family assistance program, benefits shall be
9 provided to a family for not longer than twenty-one months, except as
10 provided in subsections (b) and (c) of this section. For the purpose of
11 calculating said twenty-one-month time limit, months of assistance
12 received on and after January 1, 1996, pursuant to time limits under
13 the aid to families with dependent children program, shall be

14 included. For purposes of this section, "family" means one or more
15 individuals who apply for or receive assistance together under the
16 temporary family assistance program.

17 (b) The Commissioner of Social Services shall exempt a family from
18 such time-limited benefits for circumstances including, but not limited
19 to: (1) A family with a needy caretaker relative who is incapacitated or
20 of an advanced age, as defined by the commissioner, if there is no
21 other nonexempt caretaker relative in the household; (2) a family with
22 a needy caretaker relative who is needed in the home because of the
23 incapacity of another member of the household, if there is no other
24 nonexempt caretaker relative in the household; (3) a family with a
25 caretaker relative who is not legally responsible for the dependent
26 children in the household if such relative's needs are not considered in
27 calculating the amount of the benefit and there is no other nonexempt
28 caretaker relative in the household; (4) a family with a caretaker
29 relative caring for a child who is under one year of age and who was
30 born not more than ten months after the family's enrollment if there is
31 no other nonexempt caretaker relative in the household; (5) a family
32 with a pregnant or postpartum caretaker relative if a physician has
33 indicated that such relative is unable to work and there is no other
34 nonexempt caretaker relative in the household; (6) a family with a
35 caretaker relative determined by the commissioner to be unemployable
36 and there is no other nonexempt caretaker relative in the household;
37 and (7) minor parents attending and satisfactorily completing high
38 school or high school equivalency programs.

39 (c) A family who is subject to time-limited benefits may petition the
40 Commissioner of Social Services for six-month extensions of such
41 benefits. The commissioner shall grant not more than three extensions
42 to such family who has made a good faith effort to comply with the
43 requirements of the program and despite such effort has a total family
44 income at a level below the payment standard, or has encountered
45 circumstances preventing employment including, but not limited to:
46 (1) Domestic violence or physical harm to such family's children; or (2)
47 other circumstances beyond such family's control. The commissioner

48 shall disregard ninety dollars of earned income in determining
49 applicable family income. The commissioner may grant a fourth or a
50 subsequent six-month extension if each adult in the family meets one
51 or more of the following criteria: (A) The adult is precluded from
52 engaging in employment activities due to domestic violence or another
53 reason beyond the adult's control; (B) the adult has two or more
54 substantiated barriers to employment including, but not limited to, the
55 lack of available child care, substance abuse or addiction, severe
56 mental or physical health problems, one or more severe learning
57 disabilities, domestic violence or a child who has a serious physical or
58 behavioral health problem; (C) the adult is working thirty-five or more
59 hours per week, is earning at least the minimum wage and continues
60 to earn less than the family's temporary family assistance payment
61 standard; or (D) the adult is employed and works less than thirty-five
62 hours per week due to (i) a documented medical impairment that
63 limits the adult's hours of employment, provided the adult works the
64 maximum number of hours that the medical condition permits, or (ii)
65 the need to care for a disabled member of the adult's household,
66 provided the adult works the maximum number of hours the adult's
67 caregiving responsibilities permit. Families receiving temporary family
68 assistance shall be notified by the department of the right to petition
69 for such extensions. Notwithstanding the provisions of this section, the
70 commissioner shall not provide benefits under the state's temporary
71 family assistance program to a family that is subject to the twenty-one
72 month benefit limit and has received benefits beginning on or after
73 October 1, 1996, if such benefits result in that family's receiving more
74 than sixty months of time-limited benefits unless that family
75 experiences domestic violence, as defined in Section 402(a)(7)(B), P.L.
76 104-193. For the purpose of calculating said sixty-month limit: (I) A
77 month shall count toward the limit if the family receives assistance for
78 any day of the month, and (II) a month in which a family receives
79 temporary [family] assistance for needy families benefits that are
80 issued from a jurisdiction other than Connecticut shall count toward
81 the limit.

82 [(d) Medicaid eligibility shall be extended for two years to a family

83 who becomes ineligible for cash assistance while employed or a family
84 with an adult who, within six months of becoming ineligible, becomes
85 employed.]

86 [(e)] (d) Under said program (1) no family shall be eligible that has
87 total gross earnings exceeding the federal poverty level, however, in
88 the calculation of the benefit amount for eligible families and
89 previously eligible families that become ineligible temporarily because
90 of receipt of workers' compensation benefits by a family member who
91 subsequently returns to work immediately after the period of receipt of
92 such benefits, earned income shall be disregarded up to the federal
93 poverty level; (2) the increase in benefits to a family in which an infant
94 is born after the initial ten months of participation in the program shall
95 be limited to an amount equal to fifty per cent of the average
96 incremental difference between the amounts paid per each family size;
97 and (3) a disqualification penalty shall be established for failure to
98 cooperate with the biometric identifier system. Except when
99 determining eligibility for a six-month extension of benefits pursuant
100 to subsection (c) of this section, the commissioner shall disregard the
101 first fifty dollars per month of income attributable to child support that
102 a family receives in determining eligibility and benefit levels for
103 temporary family assistance.

104 [(f)] (e) A family receiving assistance under said program shall
105 cooperate with child support enforcement, under title IV-D of the
106 Social Security Act. A family shall be ineligible for benefits for failure
107 to cooperate with child support enforcement.

108 [(g)] (f) A family leaving assistance at the end of (1) said twenty-
109 one-month time limit, including a family with income above the
110 payment standard, or (2) the sixty-month limit shall have an interview
111 for the purpose of being informed of services that may continue to be
112 available to such family, including employment services available
113 through the Labor Department. Said interview shall contain a
114 determination of benefits available to said family provided by the
115 Department of Social Services. Said interview shall also include a

116 determination of whether such family is eligible for food stamps or
117 Medicaid. Information and referrals shall be made to such a family for
118 services and benefits including, but not limited to, the earned income
119 tax credit, rental subsidies emergency housing, employment services
120 and energy assistance.

121 [(h)] (g) An applicant or recipient of temporary family assistance
122 who is adversely affected by a decision of the Commissioner of Social
123 Services may request and shall be provided a hearing in accordance
124 with section 17b-60.

125 [(i) The commissioner may continue to operate under all or portions
126 of the federal waivers granted under Section 1115 of the Social Security
127 Act for the demonstration entitled "Reach For Jobs First".
128 Notwithstanding continuation of the provisions of said federal
129 waivers, the commissioner shall continue the evaluation of the
130 effectiveness of the temporary family assistance program and may
131 continue to utilize a control group using different program
132 requirements.]

133 [(j)] (h) The commissioner shall report, annually on or before
134 November fifteenth, to the joint standing committees of the General
135 Assembly having cognizance of matters relating to human services and
136 appropriations and the budgets of state agencies on the funding
137 requirements necessary to support the programs funded by the
138 temporary assistance for needy families block grant.

139 [(k) The Commissioner of Social Services shall implement policies
140 and procedures necessary for the purposes of this section while in the
141 process of adopting such policies and procedures in regulation form,
142 provided the commissioner prints notice of intention to adopt the
143 regulations in the Connecticut Law Journal within twenty days of
144 implementing such policies and procedures. Final regulations shall be
145 submitted to the legislative regulation review committee no later than
146 November 15, 1997. Policies and procedures implemented pursuant to
147 this subsection shall be valid until the time final regulations are
148 effective.]

149 Sec. 2. Section 17b-261 of the general statutes is amended by adding
150 subsection (g) as follows (*Effective October 1, 2003*):

151 (NEW) (g) To the extent permitted by federal law, Medicaid
152 eligibility shall be extended for two years to a family who becomes
153 ineligible for medical assistance under Section 1931 of the Social
154 Security Act while employed or due to receipt of child support income
155 or a family with an adult who, within six months of becoming
156 ineligible under Section 1931 of the Social Security Act becomes
157 employed.

158 Sec. 3. Subsection (a) of section 17b-112b of the general statutes is
159 repealed and the following is substituted in lieu thereof (*Effective*
160 *October 1, 2003*):

161 (a) An applicant or recipient who is a past or present victim of
162 domestic violence or at risk of further domestic violence, pursuant to
163 subsection (c) of section 17b-112a, shall, for good cause: (1) Be excused
164 from failing to participate in a work activity; or (2) be exempted from
165 child support enforcement requirements pursuant to subsection [(f)]
166 (e) of section 17b-112, as amended by this act. Such an applicant or
167 recipient may, for good cause, be granted an extension of cash
168 assistance beyond twenty-one months, provided the domestic violence
169 experienced is of sufficient magnitude to reasonably render the
170 individual unable to obtain or maintain employment.

171 Sec. 4. (*Effective October 1, 2003*) Sections 17b-15, 17b-17 and 17b-55
172 of the general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>October 1, 2003</i>
Sec. 4	<i>October 1, 2003</i>

HS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Explanation Below

Municipal Impact: None

Explanation

This bill makes a number of technical adjustments to bring the state's Temporary Family Assistance (TFA) program in line with Federal Temporary Assistance to Needy Families requirements. These changes allow the state to continue current state eligibility policies for TFA and Medicaid.

OLR Bill Analysis

SB 976

AN ACT CONFORMING STATE LAW WITH FEDERAL WELFARE REFORM**SUMMARY:**

This bill makes a number of changes, mostly technical, in the state's Temporary Family Assistance (TFA) and Medicaid statutes to ensure that they conform to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PROWRA). One of these addresses the availability of Medicaid benefits to people transitioning off the TFA program and possibly certain others. It also removes references to the federal waiver under which the Department of Social Services (DSS) ran its family welfare program.

The bill makes it clear that DSS can count any months that someone receives Temporary Assistance for Needy Families (TANF) "benefits" from another state or jurisdiction towards the TFA program's time limits. (TANF benefits could include not only cash assistance but other programs funded with TANF dollars). Currently, DSS must count only months someone receives TFA benefits (cash assistance) issued outside the state.

TFA is Connecticut's cash assistance program for families with children. TANF is the federal block grant that replaced the Aid to Families with Dependent Children program. States can use their TANF grants to fund a variety of programs that help poor families, including cash assistance.

The bill also removes obsolete provisions.

EFFECTIVE DATE: October 1, 2003

TRANSITIONAL MEDICAID

Under current law, DSS must extend Medicaid eligibility for two years to families who become ineligible for TFA benefits for any reason as long as an adult in the family (1) is working or (2) becomes employed within six months of losing cash assistance eligibility. DSS regulations

also allow Medicaid coverage for families who lose TFA eligibility due to child-support income.

The bill instead extends Medicaid benefits for two years to families who become ineligible for “Section 1931” assistance, to the extent permitted by federal law. (Section 1931 of the federal Social Security is a Medicaid coverage category into which families receiving cash assistance and certain others fall.) Under the bill, this transitional coverage is available only to families who lose Medicaid eligibility and an adult in the family is working or begins working within six months of losing eligibility. It is also available to people who lose eligibility because child support income brings them over the Section 1931 limits (PA 03-02 lowered this limit from 150% to 100% of the federal poverty level (FPL)).

By tying eligibility for the transitional benefit to eligibility for Section 1931 coverage, instead of cash assistance, the bill limits such coverage to what federal law allows. Thus, families who lose eligibility for Section 1931 medical coverage for any reason other than income, (including child support income), cannot get transitional benefits. Under current law, families who lose their cash assistance due to things like noncompliance with a documentation requirement can qualify for transitional Medicaid as long as they meet the employment or child support income criterion. (The federal law does not allow states to waive a family’s non-financial eligibility requirements, which include filing proper forms.)

While it appears that under the bill families who lose their 1931 benefits because they have lost eligibility for TFA benefits due to income that puts them above the TFA limits (100% of the FPL) can get transitional Medicaid, it is not certain that adults in families with higher incomes (up to 150% of the FPL) will be able to get these benefits should they too lose their Section 1931 eligibility.

BACKGROUND

Section 1931 and Transitional Medicaid

Section 1931 of the Social Security Act (42 USC § 1396u-1) was created under PROWRA, which also established TANF. It essentially de-linked Medicaid from state cash assistance programs, which meant that receipt of cash assistance no longer made someone automatically

eligible for Medicaid. While it de-linked the two programs, Section 1931 required states to offer Medicaid to families using standards that were in effect when PROWRA passed (thus ensuring families would not lose coverage they had) but allowed them to use less restrictive eligibility criteria.

Hence, families who are receiving TFA (who, by definition, can have incomes no higher than 100% of the FPL) qualify for Section 1931 coverage. (In 1999, the legislature also created a separate 1931 coverage category for caretaker relatives of children receiving Medicaid with higher incomes (originally 185% of FPL but subsequently lowered to 150%) but PA 03-02 essentially eliminated that second group.)

In addition to de-linking cash and medical assistance, Section 1931 requires states to provide transitional Medicaid benefits to families as follows. Families who would lose their Medicaid eligibility because their income, due to child support, exceeds the Section 1931 limits must receive up to four months of transitional Medicaid. Families losing eligibility for Medicaid due to hours of, or income from, employment can receive up to 12 months of transitional benefits. (Apparently, the federal requirement as it pertains to employment income is no longer in effect as the law was subject to Congressional sunset in 2002.)

In practice, DSS offers two full years of transitional benefits by combining a different Section 1931 provision that allows states to use the less restrictive eligibility methodology with the above time-limited coverage provisions. For families with child support income, DSS allows this excess income to be “disregarded” for 20 months, after which the four months of mandatory coverage start. Families with excess earnings have these disregarded for one year. Then, the mandatory year of coverage begins.

Until September 30, 2001, the state operated its transitional Medicaid program under a federal waiver. PROWRA allowed states with waivers to continue them until that date even if they contained elements contrary to the PROWRA’s provisions.

PA 03-02, Legal Services Suit, and Temporary Restraining Order

Section 10 of PA 03-02 reduced from 150% to 100% of the FPL the income limit for adult caretaker relative coverage under the HUSKY

program, effective April 1, 2003. On March 28, 2003, Connecticut Legal Services filed suit in U.S. district court (*Rabin v. Wilson-Coker*, Docket Case #03-CV-555) against DSS challenging its implementation of this law.

One of the complaints in the suit argues that under federal law DSS must offer “Extended Medical Assistance” (another name for transitional Medicaid) to certain individuals who lose their Section 1931 eligibility. The plaintiff adults are in the state’s 1931 coverage group and have incomes between 100% and 150% of the FPL.

On March 31, the judge hearing the case granted the plaintiffs a temporary restraining order, preventing DSS from proceeding with the income limit reduction.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 19 Nay 0